ANNUAL ACCOUNTABILITY REPORT

For the fiscal year ending March 31, 2003

Trade Centre Limited

Trade Centre Limited

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November 25, 2003

The Honourable Ernest F. Fage
Minister
Office of Economic Development
14th floor South, Maritime Centre
1505 Barrington St.
Province of Nova Scotia
Halifax, Nova Scotia

Dear Sir:

On behalf of Trade Centre Limited, we have the honour of presenting the Annual Report of Trade Centre Limited covering the fiscal year ending March 31, 2003.

This report incorporates accountability reporting of Trade Centre Limited for the year ended March 31, 2003, and is prepared pursuant to the Provincial Act and government policy and guidelines. This authority requires the reporting of outcomes against the business plan information for the fiscal year 2002-03. The reporting of Trade Centre Limited outcomes includes estimates, judgments and opinions by Trade Centre management.

We acknowledge that this accountability report is the responsibility of management of Trade Centre Limited. The report is to the extent possible, a compete and accurate representation of outcomes relative to the goals and priorities set out in the business plans for the year.

Frederick R. MacGillivray
President and CEO

Hon Stewart McInnis, P.C., Q.C
Chairman

Board of Directors

Chair:	Honourable Stewart McInnis, P.C., Q.C.
Vice Chair:	George C. Moody
Treasurer:	Peter Bryson, Q.C.
Secretary:	William P. Lydon
Directors:	Mayor Peter Kelly
	Councillor Sue Uteck
	Councillor Ron Cooper
	Councillor Robert P. Harvey
	Lois Dyer-Mann
	David Chisholm
	Hilliard Graves
	Frederick R. MacGillivray

Trade Centre Limited

Chief Executive Officer's Report

In the process of building a world-class book of business, Trade Centre Limited has built something of even greater value.

TCL is respected across the country and around the world as a leading player in the meetings and conventions industry. Last year we became a force to be reckoned with in the sports and entertainment events business: the Nokia Brier, ECMAs, IIHF 2003 World Junior Hockey Championship – with more major events to come.

TCL's success has a lot to do with the high profile nature of these events. But there is also another force at work. TCL, as a business and as a brand, reflects the maturity and confidence of a strong team of people who work at making events successful – just nine business units run what amounts to a pretty impressive show at TCL.

To that end, I am pleased to report that TCL showed operating profits before depreciation for the 7th year in a row in 2002-03. Total annual attendance in our facilities came in around 1,200,000 people - a record accomplishment. The economic impact of our business last year amounted to $99 million dollars in direct expenditures and $60 million in spin-off expenditures.

In the staging of the large events of the past few years, the entire community has become ambassadors for our success. If you were one of the millions who watched the World Junior Hockey Championship game, you couldn't help being affected by the passion that poured out from the record-breaking crowd. The excitement caught fire clear across the country. It was a defining moment in the history of our corporation – and our community.TCL is happy to share in the success of hosting such a major world event. But TCL is known for other things. Throughout the year we stage about 500 other events, many of which are hosted by local charities and community-based associations. TCL goes above and beyond to support these various groups. Helping our local clients grow their events translates directly into helping our community grow and change. As the community succeeds, so does TCL.

TCL is proud to play a leadership role in the growth of our community. And, as an organization with over 25 years of experience, we are dedicated to satisfying customer expectations and to recognizing the further market opportunities presented by changing customer needs.

Based on our experience and reputation, Halifax now has the opportunity to become the premier events destination in North America. We already have key elements in place - an enormously enthusiastic and supportive community, a highly experienced team of event managers, and world-renowned scenery and hospitality. We have what it takes to compete and win in the events world. All that remains is a major investment in new infrastructure, specifically, expanded meetings and convention space and a multi-purpose entertainment facility. It's the next logical step, and the one that will take Halifax to the next level in staging events and generate even greater economic and social benefits for Halifax and Nova Scotia.

Frederick R. MacGillivray
President and CEO

Trade Centre Limited

Operations Review

The passion is in the details at Trade Centre Limited and its diverse facilities -an approach that accounts for our many successes.

For 17 years now, **the WTCC,** and the region, has reaped the rewards of a very sound business approach. From the day we opened our doors, the World Trade and Convention Centre found its niche as a premium facility offering premium value at a premium price. This approach, combined with Nova Scotia's natural assets, has made us a winning location for meetings and conventions in the Canadian, US and international markets.

For nearly two decades we have crafted a sterling reputation among groups and associations in the 1000-1500 member range. For example, Rendez-vous Canada, Canada's international travel marketplace, has been a repeat customer for almost ten years. We also think of ourselves as a strategic partner to local associations, foundations, community groups and charities as we host as many as 68 local and annual events that range from fundraising to major three day events.

WTCC'S challenge now is to meet the growing needs of our clients. We regularly turn away convention business because our facilities cannot accommodate groups in the 1,500 – 2,000 person range, or concurrent groups in the 800-person range. At the same time, our convention competitors all across Canada and the United States are investing millions of dollars to upgrade and expand their facilities in order to win the economic benefits that accrue from conventions and trade shows. Lack of competitive facilities will not only stunt our growth, but will put Nova Scotia at a disadvantage in maintaining existing levels of business. Support for capital funding for convention centre expansion is at the top of our planning agenda.

The **Atlantic Canada World Trade Centre** was host to the 33rd World Trade Center's General Assembly, the culmination of many years of presentations to attract this conference to Nova Scotia. It was the first WTC General Assembly to be held in Canada. The goal of the conference was to promote local trade opportunities. The conference allowed over 170 Atlantic Canadian companies and organizations to network with 343 delegates from 42 countries. ACOA, Nova Scotia Business Inc. and Industry Canada were actively involved in hosting the General Assembly. The Atlantic Canada World Trade Centre (ACWTC) has expanded its role in providing the Forum for International Trade Training Program (FITTskills) which enables participants to obtain an internationally recognized designation – Certified International Trade Professional. Nova Scotia culture was introduced at the Assembly that showcased more than 60 Atlantic Canadian artists, several of whom received offers to perform internationally.

Since taking over **Exhibition Park** in 1999, we've seen the potential for this facility to become a great economic draw and generator for the Atlantic Region in trade and consumer shows. This facility is the home of the Maritime Fall Fair, destined to be the pre-eminent agricultural fair in the Maritimes. Exhibition Park hosts events outside the main tourist season with more than 60% of those visitors from outside Metro. Exhibition Park is also home to a growing number of annual trade and public shows, including the Ideal Home Shows, The Halifax Antique Car Show, the Atlantic Christmas Craft Show and the Halifax International Boat Show, The event mix is a winning formula for the region. However, the facilities at Exhibition Park are nearly 20 years old and badly in need of repair and modernizing. Since taking over this operation from the Province, TCL has invested in excess of $2.3 million just to meet safety standards. As with the Convention Centre, our competitors are outpacing us. Moncton, our strongest competitor in the regional trade and consumer show market, has expanded its facilities and is aggressively targeting seeking to become a trade show centre. However, Exhibition Park has the potential to be the Region's premier trade show facility, but will only do so with a strong commitment of capital and operational funding.

The **World Trade Centre Tower** is recognized as a premier location in downtown Halifax. Responding to emerging trends and the increasing needs of our primary tenants, we have embarked on a major renovation project that will modernize four floors within the Tower, the building infrastructure and reconfigure tenant spaces. This floor to-ceiling upgrade will be extensive, touching on almost every building function from air conditioning, communications and elevators.

Events Halifax (Eh!) was formed in 1998 to position Halifax as a major sporting and cultural events venue and to identify and pursue those national and international events that are deemed to be a good fit with the City and Provincial capabilities. One of Events Halifax's major achievements was in helping to identify and participate in the bid process to win the 2003 World Junior Hockey Championship 2003. However, Eh! Have had many other significant event successes, including the Nokia Brier, the East Coast Music Awards and the World Theatre Festival and Congress. As of March 2003, Eh! had chalked up 9 successful bids, with 15 more major event bids actually in process or being researched for their suitability for Halifax and Nova Scotia. As well, Eh! is researching 6 major franchise opportunities for Halifax.

Trade Centre Limited

Results (Progress and Accomplishments)

For the fiscal year 2002-2003 we had identified three priorities that we wish to focus on for the year. As a Crown Corporation we endeavor to reduce our dependency on our parent, the Province of Nova Scotia and to continue to grow and produce and positive economic return.

A.) Our financial priority is to achieve positive operating results. In terms of our financial operations the result was:

Net income before depreciation of $55,904. This is less than our targeted income of $160,758. The primary nature of our business – convention, entertainment and trade shows which results in varying levels of event activity from year to year dictates a continual financial balancing act. However, the economic impact benefits derived from our event activity, continues to escalate for both the Municipality and the Province.

A realization that TCL should be able to continue to generate small operating profits before depreciation, however, there is recognition that requests for funds will be required for capital expenditures, major repairs, renovation and retrofit that cannot be supported by current returns

B.) We have defined as a priority that we will become the best events destination in North America in fifteen years.

Halifax was host to the IIHF World Junior Hockey Championships for 2003. It generated the largest attendance figures on record to date of over 240,000 attendees, 20 days of activity and a national television sports broadcaster TSN achieving its highest single event viewing audience in its history. Games were held throughout various communities in Nova Scotia with Sydney representing the second official venue. According to organizers, an economic impact in excess of $20 million was generated

Halifax was host to the 2003 Nokia Brier, a major annual curling championship held in Canada each year.

TCL, as a member of the World Trade Centers Association, hosted the 33rd Annual World Trade Centers General Assembly, the first time this event has ever been held in Canada, with over 343 delegates representing 42 countries. There was participation from 170 local delegates representing Atlantic business.

Halifax was host to the G-8 Finance Ministers Conference in June 2002. Rendez-vous Canada, Canada's premiere international travel exposition, with over 1,500 attendees. The International Foundation of Employee Benefit Plans with over 1,400 attendees. Annual shareholder meetings for TD Bank, CN and Nortel representing over 1,720 attendees.

C.) Our third priority is to establish the Maritime Fall Fair as the Pre-eminent agricultural fair for Maritime Canada.

The Maritime Fall Fair incurred a small operating deficiency of $6,539 for the current fiscal year. This represented the second year that the event was operated by Trade Centre Limited. The financial target for the year was a break-even position.

The MFF recognizes the financial contribution made by the Department of Agriculture as part of its commitment to ensure continuation of the Maritime Fall Fair on a balanced financial footing. The long-term goal is to achieve financial self-sufficiency by increased public attendance, participation from then agriculture industry sector and increased corporate community support with reduced dependency from government sources.

To date, corporate community participation and support has been consistent with the previous year. An increase in public attendance of 15% over the previous year was achieved. The number of event participants, exhibitors was at facility capacity.

Consolidated Financial Statements of

TRADE CENTRE LIMITED

Year ended March 31, 2003

AUDITORS' REPORT TO THE SHAREHOLDER

We have audited the consolidated balance sheet of Trade Centre Limited as at March 31, 2003 and the consolidated statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Halifax, Canada
June 6, 2003

TRADE CENTRE LIMITED

Consolidated Balance Sheet

March 31, 2003, with comparative figures for 2002

	2003	2002
Assets		
Current assets:		
Cash and cash equivalents	1,738,988	$ 997,215
Accounts receivable (note 2)	2,881,046	1,804,995
Inventories	173,051	138,771
Prepaid expenses	49,450	237,361
	4,842,535	4,178,342
Property and equipment (note 3):		
Land, building, furniture and equipment and tenant leaseholds	39,296,712	39,726,176
Less accumulated depreciation and amortization	(24,173,735)	(23,240,041)
	15,122,977	16,486,135
	$ 19,965,512	$ 20,664,477
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,533,540	$ 1,847,154
Due to the Province of Nova Scotia	785,624	502,221
Event deposits	516,565	615,765
Deferred revenue	11,941	84,647
	3,847,670	3,049,787
Shareholder's equity:		
Capital stock:		
Authorized: 1,000,000 common shares without par value		
Issued and outstanding: 100 common shares	100	100
Contributed surplus (note 4)	45,173,101	45,173,101
Deficit	(29,055,359)	(27,558,511)
	16,117,842	17,614,690
Commitments (note 5)		
	$19,965,512	$20,664,477

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

_____ Director

_____ President

TRADE CENTRE LIMITED

Consolidated Statement of Operations and Deficit

Year ended March 31, 2003, with comparative figures for 2002

		2003	2002
Revenues:			
Convention Centre	$	6,642,096	$4,440,049
Office Tower		2,177,787	2,114,593
Exhibition Park		1,613,574	1,558,984
World Trade Centre and Windows		666,879	585,926
Halifax Regional Municipality Convention Centre Operating Subsidy (note 6)		496,535	473,341
		11,596,871	9,172,893
Expenses:			
Event expenses		5,222,254	3,563,690
Salaries, wages and benefits		2,352,483	1,931,959
Administration		718,870	551,801
Advertising and marketing		357,513	650,022
Maintenance		996,898	760,761
Energy		909,857	716,312
Taxes and insurance		1,010,302	1,003,980
		11,568,177	9,178,525
Income (loss) from operations		28,694	(5,632)
Other income:			
Gain on disposal of assets		1,500	–
Interest income on short-term investments		25,710	72,854
		27,210	72,854
Income before depreciation and amortization		55,904	67,222
Depreciation and amortization		1,552,752	1,642,534
Loss for the year		(1,496,848)	(1,575,312)
Deficit, beginning of year		(27,558,511)	(25,983,199)
Deficit, end of year	$	(29,055,359)	$(27,558,511)

See accompanying notes to consolidated financial statements.

TRADE CENTRE LIMITED

Consolidated Statement of Cash Flows

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Cash provided by (used in):		
Operations:		
Loss for the year	$ (1,496,848)	$ (1,575,312)
Items not involving cash:		
Depreciation and amortization	1,552,752	1,642,534
Gain on disposal of assets	(1,500)	–
Change in non-cash operating working capital	(124,537)	366,964
	(70,133)	434,186
Investments:		
Proceeds on disposal of furniture and equipment	1,500	10,927
Purchase of property and equipment	(189,594)	(1,138,068)
	(188,094)	(1,127,141)
Decrease in cash and cash equivalents	(258,227)	(692,955)
Cash and cash equivalents, beginning of year	1,997,215	2,690,170
Cash and cash equivalents, end of year	$ 1,738,988	$ 1,997,215

See accompanying notes to consolidated financial statements.

TRADE CENTRE LIMITED

Notes to Consolidated Financial Statements

Year ended March 31, 2003

The Trade Centre Limited is incorporated under the laws of the Province of Nova Scotia and its principal business activities include the operation of a trade and convention centre, leasing of office and commercial space and the operation of Exhibition Park. Trade Centre Limited is a government business-type enterprise as defined by Public Sector Accounting and Assurance Recommendations.

1. Significant accounting policies:

(a) Basis of presentation:

The consolidated financial statements include the accounts of Trade Centre Limited and those of Maritime Fall Fair Association (the "Association"). Trade Centre Limited exercises control over the Association by virtue of its ability to control the Association's Advisory Board. The Association was incorporated under the Nova Scotia Societies Act on December 22, 1999 and its principal activity is the operation of the annual agricultural fair located at Exhibition Park.

(b) Divisional operations:

The Trade Centre Limited consists of four divisions: the Convention Centre, the Office Tower, Exhibition Park and the World Trade Centre. Revenue and expenses are recorded on the accrual basis.

(c) Cash and cash equivalents:

Cash and cash equivalents include amounts on deposit with financial institutions and investments with maturities of 90 days or less.

(d) Inventories:

Inventories are valued at the lower of cost and net realizable value.

(e) Property and equipment:

Property and equipment is stated at cost, net of government assistance. Depreciation and amortization is provided on the straight-line basis over the following terms:

Asset	Rate
Buildings	15 to 30 years
Furniture and equipment	3 to 5 years
Tenant leaseholds	Lease term

TRADE CENTRE LIMITED

Notes to Consolidated Financial Statements, page 2

Year ended March 31, 2003

1. Significant accounting policies (continued):

(f) Employee future benefits:

(i) Public service award:

Upon retirement, employees are eligible for a public service award equal to one week's salary per year of service to a maximum of six months salary. Management recognizes compensation expense on an accrual basis.

(ii) Pension plan:

Full time employees of the Trade Centre Limited are members of the Nova Scotia Public Service Superannuation Plan. Accrued benefit obligations are recognized in the financial statements of the Province of Nova Scotia.

2. Accounts receivable:

	2003	2002
Halifax Metro Centre	$ 872,711	$ 665,854
Convention Centre events	909,978	445,756
Exhibition Park events	205,217	306,438
Events Halifax funding	561,299	205,522
Atlantic Canada World Trade Centre	193,848	39,770
Other	106,599	40,180
Office Tower rents	94,434	135,739
	2,944,086	1,839,259
Less allowance for doubtful accounts	(63,040)	(34,264)
	$ 2,881,046	$ 1,804,995

3. Property and equipment:

			2003	2002
	Cost	Accumulated depreciation and amortization	Net	Net
Land	$ 213,113	$ –	$ 213,113	$ 213,113
Buildings	34,617,376	20,128,536	14,488,840	15,847,928
Furniture and equipment	2,960,465	2,571,330	389,135	352,840
Tenant leaseholds	1,505,758	1,473,869	31,889	72,254
	$ 39,296,712	$ 24,173,735	$ 15,122,977	$ 16,486,135

TRADE CENTRE LIMITED

Notes to Consolidated Financial Statements, page 3

Year ended March 31, 2003

4. Contributed surplus:

	2003	2002
Government of Canada	$ 2,750,000	$ 2,750,000
Halifax Regional Municipality	1,500,000	1,500,000
Province of Nova Scotia	40,923,101	40,923,101
	$ 45,173,101	$ 45,173,101

Contributed surplus consists of non-repayable grants from the three levels of government as set forth above to assist in the financing of the capital cost of the project. These grants have been treated as contributed surplus since they have been received by virtue of the Province of Nova Scotia's position as the sole shareholder of the Trade Centre Limited.

5. Commitments:

(a) Trade Centre Limited is committed to payments under operating leases with terms expiring between 2002 and 2004. Annual payments are as follows:

2004	$ 307,343
2005	291,383
2006	300,125
2007	309,129
2008	292,397

(b) Trade Centre Limited has entered into a contract in which they have guaranteed a minimum profit in the amount of $400,000 to the Canadian Hockey Association in connection with the hosting of the World Women's Hockey Championship by the Halifax Metro Centre in 2004.

6. Halifax Regional Municipality Convention Centre Subsidy:

Pursuant to the Financing Agreement of May 14, 1982, the Halifax Regional Municipality makes an annual contribution to the operating deficit of the Convention Centre. In this respect, the Trade Centre Limited has recognized the contribution relating to the 2003 fiscal year in these consolidated financial statements.

TRADE CENTRE LIMITED

Notes to Consolidated Financial Statements, page 4

Year ended March 31, 2003

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7. Supplementary Employee Retirement Plan:

Trade Centre Limited has a supplemental pension arrangement with the President and Chief Executive Officer to provide post-employment benefits.

The accrued benefit obligation as at March 31, 2003, which is unfunded, is $113,352 (2002 – nil). This amount is also the benefit expense for the year (2002 – nil).

The significant actuarial assumptions adopted in measuring the Centre's accrued benefit obligation are as follows: discount rate – 7%; rate of compensation increase – 4%.

8. Related party transactions:

The Trade Centre Limited rents significant office tower space to departments and agencies of the Province of Nova Scotia.

For the year ended March 31, 2003, rental revenue and tenant recoveries included $1,689,774 (2002 - $1,697,953) received from departments and agencies of the Province of Nova Scotia.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

9. Events Halifax:

Events Halifax ("Eh!") is a division of the Centre and is included in the activity of the Convention Centre. Eh! was established in fiscal 2000. The purpose of Eh! is to provide marketing and promotion services for the benefit of bringing major sporting and cultural events to the Halifax Regional Municipality.

Convention centre revenue and event expenses both include the amount of $712,616 (2002 - $236,234) relating to the operations of Eh!. Contributions in the amount of nil (2002 - $84,647) have been deferred and included in deferred revenue.

Outcomes and Outcome Measures

Goal 1:	***To operate TCL successfully, financially, independent of requests for operating funds***
Outcome:	Maintain a level of profitability to ensure that the operational needs of TCL can be met independently of a need to request operating funds from the Province. Continue to generate an operating profit before depreciation.
Indicator:	Annual audited financial statements
Measure:	Income before depreciation
Target 2002-03:	Income before depreciation of $160,758
Result:	Net income before depreciation of $55,904. This is less than our targeted income of $160,758.

Goal 2:	***To make TCL the preferred destination for business, hospitality and entertainment products and services in Canada.***
Outcome:	To generate more economic, social and cultural opportunities for the Halifax Regional Municipality and the Province of Nova Scotia
Indicator:	Levels of attendance, event activity bookings and meals served. Annual Economic Impact Report
Measure:	Number of events, number of customers, and number of days facilities are used each year
Target 2002-03:	Increase number of event bookings by 10% Increase number of customers by 15% Increase number of event days by 10%
Result:	Total attendance was 1,167,765 attendees for the WTCC (171,535), HMC (709,323) and Ex Park (286,097). An increase in attendance of 70% over last year. The Annual Economic Impact had Direct Expenditures at $ 99.6 million and Spin-off Expenditures at $60.2 million, an increase in Direct Expenditures of 21% over last year. Event days at Exhibition Park increased 36% over previous year. Occupancy levels increased at WTCC 51% over previous year. The number of bookings was smaller, but business generated increased.

Goal 3:	***To position the Maritime Fall Fair to be the pre-eminent agricultural fair for Maritime Canada.***

Outcome: To highlight the importance and contribution of the agriculture sector in the Nova Scotia economy.

Indicator: Net income for the event

Measure: Number of attendees, corporate sponsorship, and number of participants

Target 2002-03: Financially self sufficient

Result: The Maritime Fall Fair incurred a small operating deficiency of $6,539 for the current fiscal year.

Financial Summary

Year Ended March 31, 2003

Trade Centre Limited

Five Year Highlights	2003	2002	2001	2000	1999
Revenues	$ **11,596,871**	$ 9,172,893	$ 9,856,801	$ 8,257,430	$ 7,301,823
Income (Loss) before depreciation and Provincial Subsidies	$ **55,904**	$ 67,222	$ 276,681	$ 735,440	$ 567,373
World Trade and Convention Centre					
Revenues	$ **7,138,631**	$ 4,913,390	$ 5,594,079	$ 5,647,442	$ 4,672,909
Meals served	**94,500**	79,566	72,041	68,318	66,625
Attendance	**171,535**	124,665	116,362	154,116	133,523
Event bookings	**500**	640	568	617	645
World Trade Office Tower					
Rental revenues	$ **2,177,787**	$ 2,114,593	$ 2,124,192	$ 1,982,222	$ 1,937,123
Average Occupancy	**99.8%**	99.8%	99.8%	99.7%	
Rentable Sq. Ft.	**116,190**	116,190	116,190	116,190	116,190
World Trade Centre and Windows					
Revenues	$ **666,879**	$ 585,296	$ 659,147	$ 627,766	$ 691,790
Members	**225**	225	220	221	226
Exhibition Park					
Revenues	$ **1,613,574**	$ 1,558,984	$ 1,479,383		
Attendance (1)	**286,907**	118,063	130,093		
Event days (2)	**193**	142	73		